

2006 discharge: European GNSS Supervisory Authority

2008/2000(DEC) - 15/11/2007

PURPOSE: presentation of the Court of Auditors report on the 2006 accounts of the GNSS Supervisory Authority.

CONTENT: The report indicates that the appropriations entered in the Authority's budget for the 2006 financial year amounted to **EUR 6.963 million**. EUR 704 000 were paid and EUR 3.108 million were committed. From this overall amount, EUR 2.403 million were carried over into 2007 and EUR 3.855 million were cancelled.

Court's financial analysis: the Court states that the Authority's 2006 accounts are, in all material respects, reliable. The transactions underlying the Authority's annual accounts for the financial year ended 31 December 2006, taken as a whole, are legal and regular. Although, the Court makes a series of observations they do not call its statement into question.

The Court examined a representative sample of 80 transactions identified weaknesses in the operation of the management and control systems. In 12 cases, the initiating official for the transaction did not have the delegated authority and the appropriate financial circuit was not followed. In two cases, the Authority's authorising officer did not approve a budgetary commitment before entering into a legal commitment, contrary to the requirements of the Financial Regulation.

Since 1 January 2007, the Authority is the owner of all tangible and intangible assets created or developed during the development phase of the Galileo Programme. A part of the assets were transferred from the Galileo Joint Undertaking in December 2006. Due to the absence of agreement between three of the members of the Joint Undertaking and the Authority, the transfer of the further identified assets of EUR 65 million was delayed until mid 2007.

The Authority's replies: the Authority indicates that the transactions examined by the Court had taken place during a period of start-up where the Authority's staff was limited in number and was gathering experience while at the same time dealing with a heavy workload. The Authority's situation has much improved since and specific attention has been and is being paid to the training of staff and the improvement and documentation of procedures. Lastly, the Authority confirms that, to date, 97 % of the GALILEO Joint Undertaking's assets of EUR 65 million has been received by the Authority and that the issues having slowed down the transfer are resolved.